GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3174
ANSWERED ON:12.05.2006
SALE OF POWER ON COMMERCIAL BASIS
Rao Shri Kavuru Samba Siva

Will the Minister of POWER be pleased to state:

(a) whether the Government proposes to frame a policy to encourage cogeneration of power in different sectors to increase power generation capacity and its availability for sale on commercial basis; and

(b) if so, the details thereof?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b) : National Electricity Policy provides as under: The Electricity Act, 2003 provides that co-generation and generation of electricity from non-conventional sources would be promoted by the SERCs by providing suitable measures for connectivity with grid and sale of electricity to any person and also by specifying, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Ministry of Non-Conventional Energy Sources is implementing a programme for promotion of surplus power generation from bagasse in sugar mills. The programme provides for central financial assistance in the form of interest subsidy for various types of projects in cooperative/public/joint/private sector sugar mills. Financial assistance is also provided for preparation of Business/Interaction meets, training programme etc. Besides fiscal incentives including relief from taxes and duties accelerated deprecation etc. are also available. Nine States have announced polices for wheeling, banking, third party sale, and buy back of power generated from these projects. Ministry of Non-Conventional Energy Sources have also launched a Programme on `Biomass Energy & Co-generation (non-bagasse) in Industry` during the year 2005-06, which provides for capital subsidy @ Rs.20.00 lakhs per MW to encourage setting up biomass co-generation (non-bagasse) power projects in the industries for meeting their captive energy requirements. The programme also allows the export of electricity to the grid upto a maximum of 50%.